Mega·Data

January 25, 2002

Attorney General John Ashcroft
US Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Dear Mr. Ashcroft,

RE: Microsoft Settlement

I have been most disturbed by the Federal government's continued proceedings against Microsoft Corporation. In my opinion, the entire suit brought by the Federal government and several states was extremely ill-founded, and strikes a negative blow at the very heart of the free enterprise system through which this country has prospered.

I bought my first "personal" computer in 1978. It was an Ohio Scientific brand, and it contained 3 separate CPUs and 3 separate operating systems. One of the operating systems was CP/M, which was the front-runner at that time. The second operating system was DOS (by Microsoft). I no longer remember the name of the third operating system, as it never became widely used. There was no "standard" in PC operating systems at that time, but it was presumed at that time that CP/M would become the prevailing operating system.

Obviously, that did not happen. Microsoft's DOS and later its Windows operating system because the prevailing product in the market. There are many reasons for this, including:

1. Superior feature content which was readily accepted by users
2. Wide selection of compatible application software, due to a programmer-friendly development interface
3. Availability of information to enable developers to write applications to run on this operating system
4. Affiliate and partnership programs with developers, software and hardware vendors

In short, Microsoft came to the forefront of the industry by offering "a better mousetrap" than the competition. The Federal government itself has affirmed this fact by making Microsoft products its own desktop standards. (Our company had the privilege of delivering training on Microsoft products to all of the regional offices of the General Services Administration several years ago.)

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Microsoft has contributed immensely to the prosperity of this country. And there are thousands of small businesses like ours that would probably not even exist today if we had not had the benefit of Microsoft's partner programs.

<u>It is an extremely dangerous precedent to allow a competitor in the open market to bring suit when it fails to "win" in the market place</u>. Forcing a company to share its proprietary and confidential research and development information in order to allow its competitors to better compete squelches the free market initiative to invest in R&D. It also has a decidedly malodorous aura of Socialism.

In my opinion, this continued legal action is motivated as much by the anticipated revenues of the legal firms involved as by the competitors' wishes to gain marketplace by any means possible – an obvious instance of the "deep pockets" syndrome.

Even though the settlement goes further than original complaints in the suit, Microsoft has chosen to settle so that it and the market can move forward. The settlement requires Microsoft to disclose information regarding how it develops it software. Microsoft has also agreed not retaliate against computer-makers that may ship software that would compete with its Windows operating system. Just these two remedies by themselves will have an enormous impact on Microsoft, but there are even more stipulations than that, as you are well aware.

Although I firmly believe that Microsoft should not even be subject to these settlement requirements because I believe it won the prevailing market position by offering superior products, it would be beneficial to the entire industry and to this country to confirm the current settlement agreement and move on to other issues. Therefore, <u>we are urging you to confirm the current settlement agreement as soon as possible, and let the IT industry be free to develop products in an unfettered free enterprise environment</u>.

Yours truly,

Patricia McDermott-Wells
President

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